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Christopher T. Giovinazzo

From: Paul Rice [price@civlit.com]
Sent: Thursday, July 26, 2007 9:31 PM
To: Christopher T. Giovinazzo
Cc: 'Michael Calleja'
Importance: High

Dear Chris:

Thank you for your prompt response. While B & O obviously disagrees with H.D. on issues including, but not limited to, H.D.'s right to terminate, I will not, at this time further address those issues. In response to selected aspects of your letter, I respond as follows:

Please advise me as to H.D.'s contractual or other authority in support of its right to receive the comprehensive list and documentation referenced in your first bullet point. Even if it is so entitled, the time deadline is unreasonable.

As to the second bullet point, again please advise me as to H.D.'s contractual or other authority in support of its right to so inspect, including its right to inspect subcontractor facilities.

I assure you that any authority provided to me will be given full consideration.

In any case, my client must know what product H.D. expects B & O to deliver post delivery of the contested notice of termination, and the timetable for said deliveries. It cannot be reasonably disputed that, regardless of the ultimate outcome of this situation, either by negotiation or litigation, B & O "understandably needs to verify and detail" this information. Indeed, without said information, any information requested in bullet point number 1 is meaningless.

Finally, given that the parties are in dispute as to a fundamental aspect of the operative documentation, that is whether H.D. has a right to terminate without cause, for the reasons presented by me in yesterday's email, B & O invokes the mediation provision of section 17.0 of the EBA. I believe it to be in the best interests of both sides for this mediation to take place as soon as reasonably

possible. As the EBA does not specify a specific place for mediation, but rather references a mutually agreed time and place, I would suggest Denver as the most appropriate location. Denver has many non-stop flights to both Atlanta and San Francisco, and appears to be the only major city which is approximately half way between Atlanta and San Francisco, and which also has a JAMS office. While the EBA does not require that JAMS be the mediation provider, it is probably a good choice.

I look forward to receiving your prompt response.

Regards,

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